

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: CarePoint Health Systems Inc. d/b/a Just Health Foundation, et al., ¹ Debtors.	X Chapter 11 : Case No. 24-12534 (JKS) : : (Jointly Administered) : : Objection Deadline: 1/6/2025 at 4:00 p.m. : X Hearing Date: 1/13/2025 at 10:00 a.m.
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**MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER (I) APPROVING
STIPULATION BETWEEN DEBTORS, BAYONNE MEDICAL CENTER OPCO, LLC
HUDSON REGIONAL HOSPITAL, LLC AND THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS REGARDING INTERIM MANAGEMENT OF DEBTORS’
HOSPITALS AND (II) GRANTING RELATED RELIEF**

The above-captioned debtors (collectively, the “Debtors”), by and through their proposed counsel, Dilworth Paxson LLP, hereby submit this motion (the “Motion”) for the entry of an order, in the form attached hereto as **Exhibit A** (i) Approving the Stipulation regarding the Collateral Surrender Motion, the Joint Ventures MSA Motion and the Facilities MSA Motion between Debtors, Bayonne Medical Center Opco, LLC, Hudson Regional Hospital, LLC, the Official Committee of Unsecured Creditors, in the form attached as **Exhibit 1** to the Proposed Order, and (ii) granting related relief, and respectfully state as follows:

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number are: (i) Bayonne Intermediate Holdco, LLC (7716); (ii) Benego CarePoint, LLC (2199); (iii) Briar Hill CarePoint, LLC (iv) CarePoint Health Management Associates Intermediate Holdco, LLC (none); (v) CarePoint Health Management Associates, LLC d/b/a CarePoint Health (3478); (vi) CarePoint Health Systems, Inc. d/b/a Just Health Foundation (6996); (vii) CH Hudson Holdco, LLC (3376); (viii) Christ Intermediate Holdco, LLC (3376); (ix) Evergreen Community Assets (1726); (x) Garden State Healthcare Associates, LLC (4414); (xi) Hoboken Intermediate Holdco, LLC (2105); (xii) Hudson Hospital Holdco, LLC (3869); (xiii) Hudson Hospital Opco, LLC d/b/a CarePoint Health-Christ Hospital (0608); (xiv) HUMC Holdco, LLC (3488); (xv) HUMCO Opco, LLC d/b/a CarePoint Health-Hoboken University Medical Center (7328); (xvi) IJKG, LLC (7430); (xvii) Just Health MSO, LLC (1593); (xviii) New Jersey Medical and Health Associates d/b/a CarePoint Health Medical Group (0232); (xix) Quality Care Associates, LLC (4710); (xx) Sequoia BMC Holdco, LLC (9812); (xxi) IJKG Opco LLC d/b/a CarePoint Health-Bayonne Medical Center. The address for CarePoint Health Systems Inc. is 308 Willow Avenue, Hoboken, NJ 07030.

PRELIMINARY STATEMENT

Debtor CarePoint Health Systems, Inc. d/b/a Just Health Foundation (“CarePoint”) oversees the operations and combined resources of three hospitals and related neighborhood health centers located in Hudson County, New Jersey—Bayonne Medical Center (“Bayonne Medical Center”), Christ Hospital in Jersey City (“Christ Hospital”) and Hoboken University Medical Center (“HUMC”) (collectively, the “Hospitals”). Christ Hospital and HUMC are “safety net” hospitals serving a large underprivileged community. All three hospitals are committed to one mission - treating patients with compassion and leading with innovation to improve the health of the communities in which they serve. The amount of free and inadequately reimbursed services provided to these underprivileged communities is the main driver of CarePoint’s financial distress.

The Debtors have previously filed the *Motion of Debtors IJKG, Opco, LLC and IJKG, LLC for Entry of (A) An Interim Order Approving Collateral Surrender and Operations Transfer Agreement to Allow inter alia, Interim Hospital Operations, (B) A Final Order Approving a Private Sale of All or Substantially All Assets of IJKG Opco, LLC and IJKG, LLC and (C) Granting Related Relief* (the “Collateral Surrender Motion”) [D.I. 18], the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Assumption of Management Services Agreement, (II) Scheduling a Final Hearing, and (III) Granting Related Relief* (the “Joint Venture MSA Motion”) [D.I. 19], and the *Motion of the Debtors for an Order (I) Authorizing the Entry into the Hospital Facilities Management Services Agreement, and (II) Granting Related Relief* (the “Facilities MSA Motion”) [D.I. 212]. The Collateral Surrender Motion, Joint Venture MSA Motion, and Facilities MSA Motion (collectively, the “Operations Motions”) represent the Debtors’ best efforts to obtain Court approval for HRH to provide management of the Hospitals on an interim basis and are incorporated by reference into this Motion.

The Debtors, HRH, and the Official Committee of Unsecured Creditors (the “Committee”) have negotiated a term sheet regarding a plan of reorganization (the “Term Sheet”) and expect to file a plan in the near term based on the Term Sheet. In connection with the Term Sheet, the Debtors, HRH and the Committee have reached an interim agreement regarding the provision of services by HRH pursuant to the Operations Motions pending the approval of a plan. Accordingly, the parties respectfully request the Court approve the Stipulation.

Jurisdiction and Venue

1. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Local Rule 9013–1(f), Debtors consent to the entry of a final order by the Court in connection with this matter to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

2. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a), 363, and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), and rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”).

Background

4. On November 3, 2024 (the “Petition Date”), all Debtors except IJKG Opco, LLC (“IJKG Opco”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

5. On the Petition Date, three creditors of IJKG Opco, 29 E 29 Street Holdings, LLC, Bayonne Medical Center Opco, LLC, and Peter Wong, MD, filed an involuntary petition against

IJKG Opco under Chapter 11 of the Bankruptcy Code. On the Petition Date, IJKG Opco filed an answer consenting to the relief requested in the involuntary petition.

6. On November 6, 2024, the Court entered an order authorizing the joint administration of the Chapter 11 Cases of each Debtor. [D.I. 80].

7. On November 6, 2024, the Court entered an Order for Relief with respect to IJKG Opco, LLC. [IJKG Opco, LLC D.I. 9].

8. A description of the Debtors' recent history and reasons for commencing the Chapter 11 Cases is set forth in the First Day Declaration. [D.I. 23].

The Operations Motions

9. On November 4, 2024, the Debtors filed the Collateral Surrender Motion seeking Court approval for the orderly surrender of all of IJKG Opco and IJKG, LLC's (collectively, the "Bayonne Debtors") assets and the transition of the operations of Bayonne Medical Center from IJKG Opco to HRH. [D.I. 18].

10. On November 4, 2024, the Debtors filed the Joint Venture MSA Motion seeking Court approval to assume the Management Services Agreement, which provides for HRH to provide management services to the Hospitals and other Debtor affiliates. [D.I. 19].

11. On December 1, 2024, the Debtors filed the Hospital Facilities Motion seeking Court approval to enter into the Hospital Facilities Management Agreement, which provides for HRH to provide management and administrative services to the Hospitals. [D.I. 212].

The Stipulation

12. On December 30, 2024, the Debtors, HRH, and the Committee entered into the Stipulation. *See* Ex. 1.

13. The Stipulation provides that HRH is, retroactive to the Petition Date, authorized to operate and provide items and services to the Hospitals in accordance with the Collateral Surrender Agreement, the Management Services Agreement, and the Hospital Facilities Management Agreement. *See* Ex. 1, ¶ 1.

14. The Stipulation provides that the terms of HRH's compensation for the interim services rendered pursuant to the Operations Motions shall be determined by the Court pursuant to this Motion at the hearing scheduled for January 13, 2025. *See* Ex. 1, ¶ 4.

15. The Stipulation also provides that the Debtors, HRH, and the Committee expressly reserve all rights with respect to the Operations Motions. *See* Ex. 1, ¶ 5.

16. The Stipulation was the result of arms-length negotiations between the Debtors, HRH, and the Committee.

17. The Debtors seek approval of the Stipulation to facilitate operations at the Hospitals pending confirmation of a plan. The Debtors have filed this Motion to provide all creditors and parties-in-interest notice of the terms of the Stipulation and an opportunity to object thereto.

Relief Requested

18. By this Motion, the Debtors seek entry of an order, in the form attached hereto as **Exhibit A** (the "**Proposed Order**"), approving the Debtors' entry into the Stipulation, in the form attached hereto as **Exhibit 1** to the Proposed Order.

Notice

19. This Motion has been served upon (a) the Office of the United States Trustee for the District of Delaware; (b) the Internal Revenue Service; (c) the Committee; (d) HRH; (e) Capitala, Maple, and Bayonne Medical Center Opco, LLC; and (f) all parties who have requested service of notices in these cases as set forth in the accompanying Certificate of Service. In light

of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

Conclusion

WHEREFORE, the Debtors respectfully request that the Court enter an Order, substantially in the form attached hereto as **Exhibit A**, and grant such other and further relief as is just and proper.

Dated: December 30, 2024

/s/ Peter C. Hughes

DILWORTH PAXSON LLP

Peter C. Hughes (I.D. No. 4180)

800 King Street – Suite 202

Wilmington, DE 19801

Telephone: (302) 571-9800

Facsimile: (302) 351-8735

-and-

DILWORTH PAXSON LLP

Lawrence G. McMichael (Admitted *Pro Hac Vice*)

Peter C. Hughes

Anne M. Aaronson (Admitted *Pro Hac Vice*)

Jack Small (Admitted *Pro Hac Vice*)

1650 Market St., Suite 1200

Philadelphia, PA 19103

Telephone: (215) 575-7000

Facsimile: (215) 754-4603

Counsel for the Debtors